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RALEIGH EXPORT ASSISTANCE CENTER TRADE BULLETIN

SPECIAL EUROPEAN UNION EDITION

THE EUROPEAN UNION: A BRIEF HISTORY

The European Union rose out of World War II and European leaders' desire to unite countries and foster development through trade and economic agreements. The European Coal and Steel Community (ECSC) was created in 1951 with six European members. The central idea behind the trade community was that through economic integration on local, regional, and national levels, European authorities would foster an economic interdependence and transcend the hostile nationalism that led to World War II.

Since the creation of the ECSC fifty-two years ago, the European Community gradually evolved into the European Union as we know it today. The European Union currently encompasses fifteen countries including The United Kingdom, Portugal, Spain, Ireland, France, Italy, Belgium, The Netherlands, Germany, Austria, Sweden, Finland, Greece, Luxembourg and Denmark.

2004: TEN NEW MEMBERS TO JOIN THE E.U.

In May 2004, ten new countries will join the European Union. These countries include Poland, Czech Republic, Slovak Republic, Hungary, Slovenia, Estonia, Latvia, Lithuania, Malta and Cyprus. These ten new members will contribute 75 million citizens, over thirty percent in geographic area and a wealth of history and culture. In order for the new members to integrate successfully into the E.U. they must be prepared to take on the obligations of membership including the goals of the E.U. integration through political, economic, and monetary uniformity. New members must comply with all trade agreements in the E.U. and prepare to compete in the heavily regulated and competitive economic environment of the E.U.

The new members will adopt the E.U. Common External Tariff. With the adoption of the Common External Tariff, U.S. companies should see lower tariffs on exports to the new member countries. Tariff reductions will increase U.S. product competitive value in those markets. The accession also creates common E.U. product certification in the new member countries so that U.S. companies will only have to conform to one standard for the entire region of twenty-five countries.

OPPORTUNITIES FOR U.S. COMPANIES

The enlargement of the European Union presents many opportunities for U.S. companies. The institutional adjustments for the Eastern and Central European countries to integrate into the E.U. create opportunities for U.S. companies in information technologies, telecommunications, energy, and environmental technologies.

The Eastern and Central European countries recognize the U.S. as the leader in Information Technology products and services. Opportunities exist for U.S. companies to export computer hardware, software, computer services, database design, and network integration.

Candidate countries must also bring road, highway, railway, and aviation systems to EU standards and this will present prospects for U.S. construction and engineering companies.

The new members must also meet strict European Union environmental regulations and will require development in waste management, industrial pollution, water pollution, air pollution, and nuclear safety.

THE EURO

Twelve member states of the E.U. have currently adopted the common E.U. currency, the Euro. The Euro has streamlined financial transactions by eliminating the need for currency exchange in each country and has steadily appreciated since its inception in January 2002. Although the new member states will not immediately adopt the Euro, they will begin economic preparation to adopt the Euro within two to five years.

FUTURE OF U.S.-E.U. TRADE

The integration of ten new members into the European Union creates a uniform and regulated economic environment and a single market of 455 million citizens. This market exists with a single set of tariffs, trade rules and administrative procedures making exports from U.S. companies much easier.

SEMINARS ON EXPORTING TO THE E.U.

E.U. SEMINAR- Logistics, Raleigh

FRI. APRIL 4, 12:00-3:30 p.m.

USDOC International Trade Specialists Erin Cole of the Office of European Union and Regional Affairs and Leah Markowitz of the Washington Central and Eastern Europe Business Information Center will present an afternoon seminar on doing business with the E.U. Attendance is only \$15.

CAMPBELL UNIVERSITY-SAT. APRIL 5, 9 a.m.

The symposium will focus on the European Union as a marketplace destination for U.S. goods and services. Attendees will have an opportunity to learn about the EU, best opportunities for U.S. goods and services, and U.S. government assistance. Attendance is free.

*For more information on either event, please contact Debbie Strader at 919-715-7373 ext. 612